Peer-to-Peer Accommodation Networks:

Pushing the boundaries

Sara Dolnicar

(G) **Goodfellow Publishers Ltd**

(G) Published by Goodfellow Publishers Limited,
26 Home Close, Wolvercote, Oxford OX2 8PS
http://www.goodfellowpublishers.com

British Library Cataloguing in Publication Data: a catalogue record for this title is available from the British Library.

Library of Congress Catalog Card Number: on file.

DOI 10.23912/9781911396512-3454
e ISBN 978-1-91196-53-6
Paperback ISBN: 978-1-911396-52-9
Hardback ISBN: 978-1-911396-51-2

Typesetting by D.S. Pears, Hampshire

Cover design by Cylinder

Illustrations by Peta Hewitt

15 Types of Network Members

Anne Hardy, *Tasmanian School of Economics and Business, University of Tasmania, Australia*

Sara Dolnicar, *Department of Tourism, UQ Business School, The University of Queensland, Australia*

Not all guests are the same. Not all hosts are the same. In this chapter, typologies of hosts and guests are proposed. The key dimensions of classifying hosts are how important earning money, befriending people, and living an ethical life are. The key dimensions for guests are saving money, meeting people, having an authentic experience, and finding accommodation that caters to their unique needs. We suggest that each host or guest is a mixture of those pure types and, optimally, compatible hosts and guests can be matched.

Members of peer-to-peer accommodation networks are called *guests* – when they are seeking short-term accommodation – or *hosts* – when they are making space available for short-term rental. Networks do not differentiate between different types of hosts and guests. Yet variability is one of the defining features of peer-to-peer accommodation networks (Chapter 1). Variability among guests means that people searching for short-term accommodation have different needs and, consequently, different offers are required. Variability among hosts means that facilitators of peer-to-peer accommodation – such as Airbnb and its competitors – need to interact with hosts differently: some just want to use the trading platform, others want to engage with other hosts and are grateful for the facilitator giving them recommendations about how to become a better host.

This chapter explores variability among hosts and guests. Using key characteristics, we develop typologies and derive implications for network members, facilitators, or networks.

Please reference as: Hardy, A. and Dolnicar, S. (2017) Chapter 15 – Types of Network Members, in S. Dolnicar, *Peer-to-Peer Accommodation Networks: Pushing the boundaries*, Oxford: Goodfellow Publishers, pp. 170–181, https://dx.doi.org/10.23912/9781911396512–3613

Reasons for hosting

A number of studies have investigated the reasons for trading on peer-to-peer accommodation networks. Financial motives have repeatedly been identified as key drivers of hosting (IPSOS, 2013; Holte and Stene, 2014; Hamari et al., 2015; Glind, 2013; Stors and Kagermeoier, 2015). Deale and Crawford (2016) found that respect between guests and hosts, meaningful relationships, and having access to resources required to participate on peer-to-peer platforms were of key importance to hosts. A study of Australian hosts (Karlsson and Dolnicar, 2016) asked hosts the following question: ''Please tell us your main reasons for renting out your property?' Three key areas emerged: income, social interaction, and sharing. Many hosts mentioned income, although they did not formulate it in the same way a commercial enterprise would formulate it. Instead of talking about profit or return on investment, Airbnb hosts in Australia talked about what the additional income could help them with, including paying their bills, making ends meet, paying off an investment property, but also affording a little bit of luxury they could not usually afford. Social interaction also played a key role for many hosts, who mentioned that they enjoyed meeting people as well as the social interaction. And, although most peer-to-peer accommodation networks are about trading, not sharing space (Chapter 2), many hosts mentioned sharing as a driver for hosting, listing reasons such as using space that would otherwise be wasted, but also sharing the beauty of the place in which they live.

Our interviews with hosts revealed a variety of reasons for engaging in Airbnb, mostly confirming motivations revealed in prior studies. Many hosts listed a small number of key reasons for hosting. Long-term hosts often reported that their initial reasons for engaging in hosting shifted over time as the platform or their experiences changed. Three main categories of reasons emerged: money, people, and ethical reasons. The following quotes illustrate how hosts view money as a driver of hosting:

> I built my first Airbnb on my property as I did my homework and worked out it would be a great source of income for my family. It went so well we bought the block. I cashed in my superannuation to do it. Now I am building eco-friendly accommodation up there. I have bought it to help me in my retirement.

> Money is the primary reason, but it is closely followed by the opportunity to meet people from different countries, cultures and race, and introducing them to our way of life. As former homestay hosts (1999–2009) of international students, we've always found the experience a positive one.

For many hosts – often those aged in their 40s or 50s who lived alone or who had recently been through a life change such as a divorce or children leaving home – people were a main driver for hosting. Friendship and the opportunity to connect with people played a central role:

> I started after I returned from walking the Camino de Santiago in 2011, when I was 51 - I had met so many wonderful people from across the world on there, that I wanted to welcome people into my own home and city to help them discover it at a personal level, and I also wanted to keep connected with travelers and people living different lives... The money was a small part as I kept my rates very low.

For some hosts, the original vision of the Airbnb platform aligned with their own ethical beliefs around the use of underutilized resources and formed a primary reason for them to engage in this peer-to-peer network:

> Initially this was my number one motivation… an ethical or political motivation, to support the sharing economy, sharing assets and facilitating lower cost travel in recognition that our economy is bound to slow down.

Overall, it can be concluded that a wide range of factors motivates hosts, and that each one of the factors has a different importance to different hosts. This insight forms the basis our proposed host typology.

A typology of hosts

The most obvious grouping of hosts is into purely commercial providers and 'ordinary people' who make unused or underutilized space in their homes available to other 'ordinary people'. Some peer-to-peer accommodation network platforms – such as Couchsurfing – accept only hosts who are genuine peers of their guests. Others – such as Airbnb – allow hosts who are not peers to the guests to offer space on their platforms, enabling commercial providers to use the network as a distribution channel. The European accommodation network facilitators 9flats and Wimdu reported in 2014 that about one-third of their hosts were professional real estate agents or hospitality service providers. This third of commercial hosts accounted for the majority – approximately 80% – of 9flat's revenues (Böschen, 2014). The differences between these two types of hosts are significant: professional hosts – those offering more than one property on Airbnb – earn 17% more in daily revenue, have 16% higher occupancy even if the price and the number of days the space if available for rental are the same (Li, Moreno and Zhang, 2015).

This dichotomous host typology does not capture the full variation between hosts. Using three of the key factors motivating hosting, we propose that there

are three core types of peer-to-peer accommodation networks hosts – illustrated in Figure 15.1: *Capitalists, Befrienders*, and *Ethicists.*

Figure 15.1: Pure host types: *Capitalist*, *Befriender* and *Ethicist*

Pure *Capitalist* hosts want profit; they want maximum return on investment. They use peer-to-peer networks as distribution channels. Their hosting behavior focuses on maximizing profit margins for long- and short-term financial gain. They are not attached to the spaces they are renting out and view damage as a business expense. They have no interest in socializing with guests; they are not interested in communicating with other hosts. *Capitalists* are not concerned about assessing the risk of individual booking requests before confirming them.

Pure *Befrienders* have a desire to socialize. They like to meet people and extend their social circle. They may welcome the money, but are likely to host independently of whether or not they are receiving a payment in exchange. They want to interact with guests before the booking is confirmed, meet them upon arrival, and maybe catch up and chat with them during their stay. It is important to them that the needs of their guests are met, and they are more than happy to provide information and recommendations to guests. *Befrienders* may also enjoy interactions with other hosts, although this is not necessarily the case, socializing with guests stands at the center.

Pure *Ethicists* desire to live an ethical lifestyle. Their behavior is guided by the principle of ensuring sustainability through all facets of their life, including space utilization. They feel strongly about their membership on peer-to-peer accommodation networks and get quite upset if the actions of the facilitator do not align with their value system. *Ethicists* are likely to interact with other like-minded hosts, and the most likely of all host types to form neo-tribes around their hosting activity (see Chapter 20).

Of course, the pure types as illustrated in Figure 15.1 and described above are not common. Usually, hosts are a mixture of each of those pure types. Chapter 17 provides insight into the thinking of a *Capitalist-Ethicist* host; typical

Couchsurfing hosts appear to be *Befriender-Ethicist* hosts (Decrop et al., 2017; Kim et al., 2017); and the quote below is from a *Capitalist-Befriender* host:

> Question: What are the reasons that you are hosting on Airbnb?
>
> Response: Reaching other markets, potentially overseas customers, to our holiday home.
>
> Question: What is the primary reason?
>
> Response: More customers.
>
> Question: If earning money is one of your reasons, what do you use the money for?
>
> Response: Paying rates and other bills on the property, as well as the mortgage, and general income for the family.
>
> Question: Do you get enjoyment from hosting on Airbnb? In which way?
>
> Response: Yes, I like the personal connection to 'strangers' and hearing about their trip.

The typology above relates to the primary driver of participating in peer-to-peer accommodation trading. But there are also other aspects which differentiate between different types of hosts, such as the way in which they manage tasks relating to hosting. Some hosts are happy to take recommendations from the network facilitator about settings, such as the minimum number of nights guests have to stay or the recommended price, and are willing to accept *Instant Book* (Chapter 1) which allows guests to book without an assessment of the booking request by the host. Other hosts like to maintain full control over all aspects of their listing.

Reasons for using peer-to-peer accommodation

Just as with hosting, people who search for tourist accommodation and choose peer-to-peer accommodation do so for a number of reasons. Tussyadiah and Pesonon (2016) argue that travelers use it because of two primary reasons: desire to meet people and a desire to save money (Liang, 2015). Offering accommodation at a lower price than established commercial providers is possible for hosts because fixed costs are already covered, labor cost for providing the space is low, and peer-to-peer accommodation networks typically only charge if a booking is made (Oskam and Boswijk, 2016). Tourists who use network accommodation also like to live like locals, to experience an 'authentic' homestay style experience, and to feel welcome (Tussyadiah and Zach, 2017). At the center of Airbnb's marketing strategy stand uniqueness and belonging (Liu and Mattila, 2017), which is reflected in online discussions:

> It's like staying with relatives rather than going to a hotel- it takes away from the traditional touristy places and lets us see the real Tasmania.
>
> I travel a lot and I get bored of generic hotels. I like the idiosyncrasies of different Airbnb places that changes between properties and countries.

Our research revealed another driver of using peer-to-peer networks: the possibility to find a space that is suitable for one's unique accommodation needs. For example, multi-family travel (see Chapter 18) requires a substantial amount of space which has both common areas and private areas for individuals of individual families to retreat. Such travel needs are not catered for by the established commercial accommodation sector. Here is how a user summarizes the advantages of using peer-to-peer network accommodation (To Travel & Beyond, 2016):

> **Traveling with a group.** When you are going somewhere with a group of people, or even 4+ it is really nice to all be in the same place. It can be frustrating to book several hotel rooms, and hope that you are all nearby or on the same floor
>
> **Great for unique places.** If you are traveling somewhere that has the option for a really unique listing, I would be more inclined to go for it. For example when Annie stayed in a treehouse…
>
> **See a different part of town**.… often nice to stay in a lesser known area…
>
> **Price but only sometimes.**… you might find a really good deal if you look hard enough. In relation to traveling with a group, it will likely be cheaper for everyone to share the price of a house.
>
> **Location.**…These are locations where people are more likely to live...

Consequently, we see four key factors motivating guests: saving money; meeting people; wanting to have an authentic experience rather than staying in a generic hotel room; and finding accommodation that caters to the unique needs of the travel party. These drivers form the basis of our guest typology.

A typology of guests

Using key factors that have emerged as drivers of guests using peer-to-peer accommodation networks, we propose that four core types of guests – illustrated in Figure 15.2 – exist: *Cost savers*; *Socializers; Localizers*; and *Utilitarians*.

Pure *Cost savers* want to save money. They use peer-to-peer networks as an avenue for booking low-cost accommodation and keep their vacation budget

low. They are willing to stay a little further away from the main attractions, and are willing to forego luxury and surplus utilities in the accommodation, if that reduces accommodation cost. *Cost savers* are not interested in meeting people; have no special requirements in terms of the nature of the accommodation; and do not care about having an authentic vacation experience. They are heavy users of filtering functions on peer-to-peer accommodation network platforms because they allow them to identify the cheapest place to stay. They have no particular loyalty to the network. If a hotel or motel is cheaper, they book that instead.

Figure 15.2: Pure guest types: *Cost saver*, *Socializer*, *Localizer* and *Utilitarian*.

Pure *Socializers* want to meet people. They may be traveling alone using peer-to-peer networks as a means to stay with other people in order to feel safe. Or they may be driven to stay with others in order to feel like they have met local people and therefore understand the culture in more detail. Highly social, these guests chat via the peer-to-peer platforms prior to their arrival and spend time with their hosts during their stay. Money, amenities, and utilities are not key drivers for these guests. They may use free platforms such as Couchsurfing.

Pure *Localizers* want an authentic experience. While they may be interested in meeting local people, their strongest desire is to stay in a place that is truly representative of the way that people live in the culture they are visiting. They want to immerse themselves in the local culture, assimilate, and become one of the locals for the duration of their stay. The architectural look and feel of the place they are staying in is integral for these guests. Their desire to stay in an authentic place takes priority over meeting their host or the cost of the accommodation they are using.

Pure *Utilitarians* want accommodation that suits their specific needs. Large family groups or multi-generational travel parties (Chapter 18) are prototypical *Utilitarians.* They want to spend some quality time together. To do that they need a large property with a joint central living area and enough bedrooms and bathrooms to ensure the desired level of privacy. But they could also be travelers who bring their pets along; travelers who are committed to keeping their

vacation as environmentally sustainable as possible (Chapter 24); or travelers who have a disability and need an accommodation that has all the features they require to make it usable and safe for them (Chapter 22). *Utilitarians* choose accommodation that fits their purpose. Other factors, including price, authenticity, and the potential to meet people, are secondary to them.

Like hosts, the pure guest types illustrated above are not common. Usually, guests are a mixture of each of those pure types.

The perfect match

The benefit of understanding differences between hosts and differences between guests is that it allows better targeting of messages from the facilitator of the network to those guests and hosts most interested in the relevant aspects. Another benefit is the possibility of matching hosts and guests. Complaints of guests against hosts or hosts against guests are very common and often due to different understanding of what trading space on peer-to-peer networks means, as the following quotes from two different hosts illustrate (Quora, 2017):

> Yes, in some cases hosts would rather leave a lock box with the keys rather than meet in person with the guests.

> Talking takes time and people… most hosts like talking to interesting, personable people.

Neither of the two approaches is right or wrong, but a host not interested in meeting guests will disappoint guests who enjoy meeting new people as a central feature of their peer-to-peer accommodation network booking experience. Equally, very chatty hosts may annoy guests who want nothing else but a safe place to sleep. Optimally, we are hoping for a good match between host and guest. Some of the dimensions used to construct the typologies are relevant to both hosts and guests, such as money and people. Others cannot be directly matched because the need of the guest is reflected not in host characteristics but in the features of the space available for rent. Figure 15.3 proposes a possible way of matching hosts and guests.

As can be seen in Figure 15.3, we have a guest (solid line) looking for authentic accommodation with some unique features. Money is not a priority and they like meeting people, but this is not critically important to them. We can also see two hosts (dashed and dotted line) and the spaces they are listing. Host #1 is not a *Capitalist* and rates medium high as a *Befriender*. Their space is unique and highly authentic. Host #2 is a pure *Capitalist* and does not care about any other aspect of trading on peer-to-peer accommodation networks other than money. Their space is not unique and not authentic. In this hypothetical scenario, the match of the guest with host #1 is much better than that with host #2.

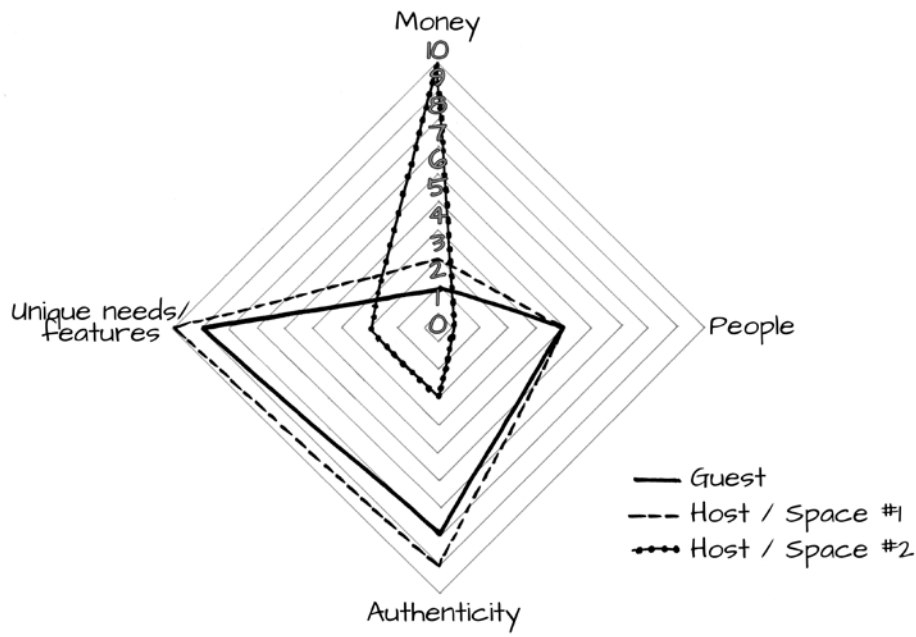

Figure 15.3: Finding the perfect guest–host match

Of course, peer-to-peer accommodation networks use very sophisticated approaches to offering guests what their past booking and searching behavior suggest they will be interested in. These algorithms are likely to be limited to attributes captured automatically on the platform. Yet a good match of host and guest at the level of their motivations is likely to increase the experience of both when trading on peer-to-peer networks. The match could be based on a few questions network members answer. The type could be displayed using a symbol on the profile, similar to the Superhost status symbol. So when a *Socializer* looks for accommodation they may want to look for *Befriender* hosts.

Conclusions

Unlike traditional hotels that offer generic products to specific travel segments, peer-to-peer networks offer a wide variety of products to their potential guests. While this diversity caters to a much broader range of travelers, the risk of a dissatisfying experience is far higher amongst peer-to-peer networks, if the type of host differs from the type of guest they are catering to. This chapter has introduced a variety of guest and host types trading on peer-to-peer networks. The perfect match will occur when guests stay in places offered by hosts with similar motivations and offerings.

However, this is not as easy as it sounds, because not all hosts and guests have singular motivations. Guests may be primarily seeking to save money, but also have a desire to stay in an authentically designed accommodation, and have contact with hosts. Large family groups may require many rooms, may like it to be authentic, yet may need affordable accommodation. These multiple desires of both hosts and guests complicate the ability to engineer a perfect match, and consequently have the potential to create unsatisfactory peer-to-peer network experiences.

The key for hosts and guests, therefore, is to communicate their style of hosting and 'guesting' in their profiles to mitigate this issue. Facilitators of peer-to-peer networks could ask their guests and hosts to indicate their value along the matching criteria in Figure 13.3, or a more comprehensive list of motives, to allow guests and hosts to check whether the profile is a good fit or not.

Questions for future research

This chapter proposed a simple framework to classify peer-to-peer accommodation network members. The guest and host types in this chapter are auto-ethnographical; they resulted to a large degree from the authors' hosting experiences. The framework can serve as a basis for survey research exploring the relevance and importance of the factors proposed in our typologies. Based on data from such a survey study, an empirical taxonomy could be derived which would provide insight into which of the theoretically possible types of guests and hosts actually exist and how high their share is among members of peer-to-peer accommodation network members.

Understanding host and guest types and their frequency of occurrence could serve as basis for a better matching algorithm offered by the facilitators of online platforms enabling peer-to-peer trading. It could also be used by facilitators to target their direct communication to both guests and hosts. A host who wishes to maintain full control over all aspects of their booking, for example, is unlikely to appreciate offers such as automatic pricing and *Instant Book*. On the contrary: it is likely that such direct messages would upset this kind of host who may, ultimately, choose to switch platform.

Acknowledgments

We thank the UQ Business School at The University of Queensland for hosting Anne Hardy under the Jim Whyte Fellowship Scheme. Ethical clearance was obtained from The University of Queensland Human Ethics Committee (approval number 2017001021).

References

Böschen, M. (2014). Sharing Economy: Das Teilen ist nur Tarnung. *manager magazin*. retrieved from http://www.manager-magazin.de/lifestyle/artikel/share-economy-teilen-nur-tarnung-siehe-airbnb-und–9flats-in-berlin-a–997805-druck.html.

Deale, C.S. and Crawford, A. (2016) Providers' perceptions of the online community marketplace for lodging accommodations, *Tourism and Hospitality Research*, DOI: 10.1177/1467358416682067.

Decrop, A., Del Chiappa, G., Mallargé, J., and Zidda, P. (2017) 'Couchsurfing has made me a better person and the world a better place': The transformative power of collaborative tourism experiences, *Journal of Travel & Tourism Marketing*, DOI: 10.1080/10548408.2017.1307159.

Glind, P.V. (2013) *The consumer potential of collaborative consumption. Identifying (the) motives of Dutch collaborative consumers & measuring the consumer potential of collaborative consumption within the municipality of Amsterdam*, Master's Thesis, Utrecht University.

Hamari, J., Sjöklint, M., and Ukkonen, A. (2016) The sharing economy: Why people participate in collaborative consumption, *Journal of the Association for Information Science and Technology*, **67**(9), 2047–2059.

IPSOS (2013) retrieved on September 11, 2017 from https://www.ipsos.com/sites/default/files/news_and_polls/2013-05/6116.pdf.

Karlsson, L. and Dolnicar, S. (2016) Someone's been sleeping in my bed, *Annals of Tourism Research*, **58**, 159–162.

Kim, S., Lee, K.Y., Koo, C., and Yang, S.B. (2017) Examining the influencing factors of intention to share accommodations in online hospitality exchange networks, *Journal of Travel & Tourism Marketing*, DOI: 10.1080/10548408.2016.1244024.

Li, J., Moreno, A., and Zhang, D. J. (2015) Agent behavior in the sharing economy: Evidence from Airbnb, Ross School of Business Working Paper Series 1298.

Liang, L.J. (2015) *Understanding repurchase intention of Airbnb consumers: perceived authenticity, EWoM and price sensitivity*, Masters Thesis, University of Guelph.

Liu, S.Q. and Mattila, A.S. (2017) Airbnb: Online targeted advertising, sense of power, and consumer decisions, *International Journal of Hospitality Management*, **60**, 33–41.

Oskam, J. and Boswijk, A. (2016) Airbnb: the future of networked hospitality businesses, *Journal of Tourism Futures*, **2**(1), 22–42.

Quora (2017) retrieved on August 7, 2017 from https://www.quora.com/Do-some-Airbnb-hosts-not-want-to-talk-to-their-guests.

Stene, A. K. and Holte, H. F. (2014) *A new lease on life: Why do Norwegian Consumers Participate in Collaborative Consumption? A case study of Airbnb and Bilkollektivet*, Master's Thesis, Norwegian School of Economics.

Stors, N. and Kagermeier, A. (2015) Motives for using Airbnb in metropolitan tourism – why do people sleep in the bed of a stranger?, *Regions Magazine*, **299**(1), 17–9.

To Travel & Beyond (2016) My thoughts on Airbnb, retrieved on August 7, 2017 from http://totravelandbeyond.com/thoughts-on-airbnb/.

Tussyadiah, I.P. and Pesonen, J. (2016) Impacts of peer-to-peer accommodation use on travel patterns, *Journal of Travel Research*, **55** (8), 1022–1040.

Tussyadiah, I.P. and Zach, F. (2017) Identifying salient attributes of peer-to-peer accommodation experience, *Journal of Travel & Tourism Marketing*, **34** (5), 636–652.